



Resolution 2006-004

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH SESAME DONUTS TO LEASE RETAIL SPACE IN THE CIVIC BUILDING

WHEREAS, City staff utilized a selection process for leasing the Civic Building retail space which meets the requirements of the City and State contract rules; and

WHEREAS, Sesame Donuts was determined to meet the City's evaluation criteria; and

WHEREAS, Sesame Donuts proposal meets the Urban Renewal District goal of economic development in Old Town;

WHEREAS, Lease of this space will help offset Library City Hall operation costs;

NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1. The City Manager is authorized to enter into a lease agreement with Sesame Donuts to lease 1,065 square feet of retail space in the Sherwood Civic Building.

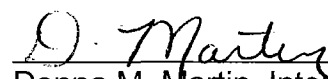
Section 2. This Resolution shall be effective upon its approval and adoption.

Duly passed by the City Council this 3rd day of January 2006.



Keith S. Mays, Mayor

ATTEST:



Donna M. Martin, Interim City Recorder

Counter-Proposal to Lease

This is a counter-proposal on the part of the undersigned, hereafter called Landlord, to enter into a Lease for the described premises at the rental terms and condition specified herein.

1. **Tenant:** Sesame Donut
2. **Premises:** 1,065 square feet, Sherwood Civic Center, Oregon Street.
3. **Term:** The term of the Lease shall be for Sixty-Three (63) months.
4. **Possession:** Possession to commence on Tenant's completion of its improvements or 60 days after lease execution and Tenant's receipt of building permit whichever occurs first and lease termination sixty-three (63) months later.
5. **Rent:**
Year 1 – 2: \$20.00 per SF per year = \$1,775 per month
Year 3 – 4: \$21.20 per SF per year = \$1,881.50 per month
Year 5: \$21.85 per SF per year = \$1,939.20 per month
No base rent months – 2, 3, 4 NNN charges only. Tenant is responsible for its direct utilities to include: water, sewer, gas, garbage, power, and janitorial. City of Sherwood to bill back for water and sewer to Tenant at \$75.00 per month.
6. **Advance Rent:** Tenant shall pay to the Landlord upon execution of the Lease the sum of \$1,775.00 as rent for first month of the lease.
7. **Use:** The premises shall be used and occupied for a bread, donut, soup and sandwich and related beverage food service.
8. **Condition of Premises:** Except as noted in paragraph 16, Tenant shall accept the premises in "as is" condition as of Tenant's inspection of the premises on or about possession, except that the Landlord shall be responsible for putting into good working order all general purpose heating and utility systems installed as of the date of occupancy including electrical and water heater.
9. **Obligations of Tenant and Landlord:**
The Landlord shall maintain the foundation, exterior walls and roof.
The Landlord shall pay for fire insurance and extended coverage on the leased structure.
10. **Option to Extend:** The Tenant shall have an option to extend the term of this Lease for one five year term at the then current market rate. In no instance shall Tenant pay less than its current rental at the time of renewal.

11. **Permits and Licenses:** Tenant shall have five (5) days following the acceptance of this Proposal to satisfy itself that it can obtain the necessary permits and licenses for the contemplated operations in the Premises.
12. **Expiration:** This Proposal shall be valid through October 21, 2005. At any time thereafter upon notice to Tenant, this Proposal if not accepted by Tenant shall be deemed null and void.
13. **Lease Agreement:** This Proposal is subject to approval by the Tenant and Landlord of the Lease Agreement.
14. **Subleasing:** Tenant shall have the right to sublease the Premises subject to Landlord's approval, which shall not be unreasonably withheld.
15. **Broker Representation:** Landlord and Tenant hereby acknowledge that GVA Kidder Mathews represents City of Sherwood herein and Landlord and Tenant each consent thereto.
16. **Additional Terms:** Additional terms and conditions contained herein in any Addendum which may be attached hereto shall comprise a further part of this Proposal.
- Landlord to provide Tenant with:
- 1) One Ada compliant bathroom, to include: fixtures, venting, and floor covering.
 - 2) One 220 Amp power panel, with power distributed to peripheral outlets, number and cost to be determined mutually between parties.
 - 3) Water stubbed to Tenant's space not distributed.
 - 4) Building standard ceiling and lighting system installed.
 - 5) One ton of HVAC per 350 sq.ft. of Tenant space.
 - 6) Gas line brought to the space not distributed.
 - 7) Demising walls taped, sanded and painted. Landlord and Tenant to agree on color selection.
 - 8) Floor covering – Landlord to provide floor covering.
 - 9) Landlord to provide building storefront.
17. **Signage:** All Tenant signage to meet City Codes and design criteria, as well as, Landlord approval.
18. **Contingency:** This proposal is non-binding. It is not a reservation for the space. The parties shall be bound only by a fully executed lease agreement.

19. Publicity Provision:

We hereby consent to GVA Kidder Mathews publicizing its role in any transaction we enter into, subject to our reasonable editorial approval of such publicity.

The undersigned Tenant hereby acknowledges receipt of a copy of this Proposal.

TENANT: Sesame Donut

By: Haider Falch

Title: Director of Operations

Date: 12/6/05

Landlord hereby accepts this Proposal and shall forthwith proceed to prepare a Lease Agreement evidencing the terms and conditions herein, and agrees to pay a real estate commission in accordance with the attached Exclusive Listing Agreement.

LANDLORD: City of Sherwood

By: _____

Title: _____

Date: _____